

HOUSE BILL 1968

By Armstrong

AN ACT to amend Tennessee Code Annotated, Section 9-21-105, relative to general obligation bonds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 9-21-105, is amended by deleting subsection (3) in its entirety and by substituting instead the following:

(3) "Certain unfunded pension obligations" means pension benefits for past service of employees of a local government whose employment results from the local government's assumption of governmental responsibilities of another local government; or pension benefits for past service of employees of a local government whose pension benefits:

(A) Arise from a defined benefit pension plan that is closed to the enrollment of new employee participants; and

(B) Are funded solely by contributions of the local government to the plan; or

(C) Pension benefits for past service of employees of a local government whose pension benefits arise from a defined benefit pension plan adopted by referendum amendment of a county charter, and which limits enrollment to law enforcement employees of the local government;

provided, that any unfunded pension obligation shall be limited to the unfunded portion of the present value of benefits less present value of future normal costs, as certified by the pension actuarial consultant of the local government;

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.